

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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USIA-15 COME-00 EB-11 LAB-06 SIL-01 AID-20 PC-10

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 8437

C O N F I D E N T I A L SANTIAGO 2391

E.O. 11652: GDS

TAGS: CI, ELAB

SUBJ: LABOR BOYCOTTS MAY 1

REF: SANTIAGO 2325

1. SUMMARY. JUNTA PRESIDENT PINOCHET OUTLINED TO ASSEMBLY OF "WORKERS" MAY 1 GOC WAGE READJUSTMENT POLICY FOR COMING MONTHS, WHICH ESTABLISHES NEW MINIMUM SALARIES OF ESCUDO 25,000 (U.S. \$43.10) PER MONTH FOR PUBLIC SECTOR EMPLOYEES AND 29,000 (\$51.00) FOR PRIVATE SECTOR. HE REAFFIRMED GOC POLICY TO PROTECT "SOCIAL CONQUESTS OF WORKERS" AND PLEDGED TO "ERADICATE POVERTY" IN CHILE, WHILE PROMISING WORKERS PARTICIPATION IN DIRECTION OF PRIVATE AND PUBLIC ENTERPRISE. ONLY OTHER SPEAKER WAS MANUEL RODRIGUEZ POZO (SECGEN OF CUT SANTIAGO BEFORE ORGANIZATION ABOLISHED) WHO DELIVERED ROUSING PLEDGE OF WORKERS TO SUPPORT JUNTA EFFORTS AND HERALDED EVENT AS "BEGINNING OF DIALOGUE" BETWEEN GOVT AND LABOR. ALTHOUGH RODRIGUEZ AFFIRMED NO GOVERNMENT COULD SURVIVE WHICH IGNORED LABOR'S NEEDS, HIS SPEECH CONTAINED ONLY ONE SPECIFIC REQUEST: THAT LABOR BE REPRESENTED ON COMMISSION WHICH IS DRAFTING NEW LABOR CODE. HEAD TABLE WAS OCCUPIED BY FIVE UNION LEADERS WHO WERE "SPONSORS" OF EVENT, BUT NO MAJOR AND FEW SECONDARY UNION LEADERS RECOGNIZED IN AUDIENCE OF NEARLY 3,000. WE BELIEVE
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MEETING HAS HAD APPRECIABLE POLITICAL IMPACT. END SUMMARY.

2. COMPARED TO PAST STANDARDS, CHILE'S 1974 MAY 1 LABOR DAY PASSED QUIETLY WITHOUT REPORT OF MAJOR INCIDENT AND WITH LITTLE FESTIVITY. SINCE ALL FORMS OF UNION ACTIVITIES, SUCH AS PARADES OR ASSEMBLIES, WERE FORBIDDEN BY DECREE, CHILEAN LABOR CELEBRATION WAS PACKAGED INTO A SINGLE ASSEMBLY OF WHAT LOCAL MEDIA TERMED "3,000 UNION LEADERS," AT AUDITORIUM OF DIEGO PORTALES BLDG (CHILE'S SEAT OF GOVERNMENT).

3. RODRIGUEZ LED OFF MEETING WITH WELL DELIVERED SPEECH OFFERING PRAISE TO MILITARY FOR SAVING CHILE FROM MARXISM AND PLEDGING WORKERS' SUPPORT FOR RESTORATION OF CHILE. HE OFFERED MILD CRITICISM OF PRESENT GOVT FOR PAST LACK OF COMMUNICATION WITH WORKERS, BUT HE DESCRIBED ASSEMBLY AS EVIDENCE THAT A NEW DIALOGUE NOW EXISTED. EARLY TONE AND CONTENT OF RODRIGUEZ'S TALK LED MOST LISTENERS TO BELIEVE HE WAS MAKING MAJOR BID TO BECOME LABOR'S NUMBER ONE SPOKESMAN AND THAT HE WOULD OUTLINE MAJOR COMPLAINTS OF ORGANIZED LABOR. IN FACT HIS REMARKS CONTAINED ONLY ONE MILD REQUEST -- THAT WORKERS BE REPRESENTED ON THE COMMISSION WHICH HAS BEEN DRAFTING NEW LABOR CODE FOR SOME MONTHS.

4. RODRIGUEZ DREW LOUD APPLAUSE FROM AUDIENCE WHEN IN OPENING REMARKS HE ACKNOWLEDGED PRESENCE OF REPRESENTATIVE OF CARDINAL SILVA WHOM HE DESCRIBED AS A FRIEND OF THE LABOR MOVEMENT (CARDINAL CURRENTLY OUT OF COUNTRY.) LATER IN SPEECH RODRIGUEZ COMMENDED TO READERSHIP OF ALL CHILEANS RECENT BISHOP'S STATEMENT AND LAMENTED THE ESTRANGEMENT (DISTANCIAMIENTO) COMING ABOUT IN THE CHURCH BECAUSE OF THE WORK OF A FEW PRIESTS. UNCLEAR WHETHER RODRIGUEZ WAS IMPLICITLY CRITICIZING PRIESTS WHO NOT SUPPORTING CARDINAL BECAUSE HE TOO LIBERAL, OR OTHERS BECAUSE THEY FEEL HE NOT OUTSPOKEN ENOUGH. INTENT, HOWEVER, OF RODRIGUEZ' REMARKS WAS TO LEND HIS SUPPORT TO CARDINAL'S POSITION AND RECENT BISHOPS' STATEMENT (SANTIAGO 2212).

5. GEN. PINOCHET'S RESPONSE CONTAINED MUCH MORE THAN RODRIGUEZ DEMANDED. ALTHOUGH HE DID NOT COMMIT GOC TO ALLOW LABOR REPRESENTATION ON LABOR CODE DRAFTING COMMISSION, HE OUTLINED PLAN FOR FUTURE "WORKER PARTICIPATION" IN MANAGEMENT OF CHILEAN ENTERPRISE, BY ANNOUNCING DECREE THAT ONE WORKER DELEGATE AND

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ONE ALTERNATE WOULD BE SELECTED TO PARTICIPATE ON BOARDS WHICH "ORGANIZE AND DIRECT" ALL ENTERPRISES. HOWEVER, PINOCHET MADE NO COMMENT ON ANY PLAN FOR WORKER PARTICIPATION IN OR GAIN FROM PROFITS OF ENTERPRISES. HE ANNOUNCED PLANS FOR ESTABLISHMENT OF "OFFICES OF LABOR AND SOCIAL AFFAIRS" IN EACH PROVINCE TO "MAINTAIN THE MECHANISM FOR COMMUNICATION WITH YOU." (A SIMILAR ARRANGEMENT HAS EXISTED FOR MANY YEARS THROUGH "LABOR INSPECTOR" OFFICES IN EACH PROVINCE -- A SYSTEM DIRECTED

BY THE MINISTRY OF LABOR).

6. MOST EAGERLY AWAITED PORTION OF GENERAL'S SPEECH WAS ANNOUNCEMENT OF NEW WAGE ADJUSTMENTS. (SEE SEPTTEL FOR DETAILED ANALYSIS.)

7. EVENT WAS NEITHER AIRED NOR TELEVISED LIVE, AS MANY RADIO AND TV MESSAGES HAD PROMISED FOR TWO DAYS. NEWS ANNOUNCEMENTS ON NEW WAGE INCREASES APPEARED SHORTLY AFTER AFFAIR ENDED IN EARLY AFTERNOON, BUT FULL RADIO AND TV REPLAY WAS HELD UNTIL 8 P.M. PRIME TIME SAME EVENING. THOSE WITH WHOM EMBOFF TALKED WHO ATTENDED AFFAIR AND WITNESSED TV REPLAY TAPES REPORT THERE WAS NO EDITING.

8. COMMENT. CEREMONY WENT MUCH AS EVERYONE HAD EXPECTED. OUR IMPRESSION FROM HAVING TALKED WITH LIMITED NUMBER OF LABOR LEADERS IS THAT BOYCOTT OF CEREMONY ORGANIZED AND QUIETLY CARRIED OUT BY PDC LABOR LEADERS AND BY FEW TOP LEADERS OF NEW CENTRAL (CNT) WAS PARTICULARLY EFFECTIVE. SO FAR WE HAVE NOT BEEN ABLE TO IDENTIFY ONE MAJOR LEADER IN AUDIENCE. LIMITED, PRIVATE LABO

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